



Large-Scale Land Acquisition, agro-investment and a reflection on data

Ward Anseeuw

Cirad / University of Pretoria

University of Venice
05 November 2014

Outline

- 1) A couple of flashes on LSLA...**
- 2) Disaggregating “Large-scale land acquisitions”**
- 3) Reflections on data**

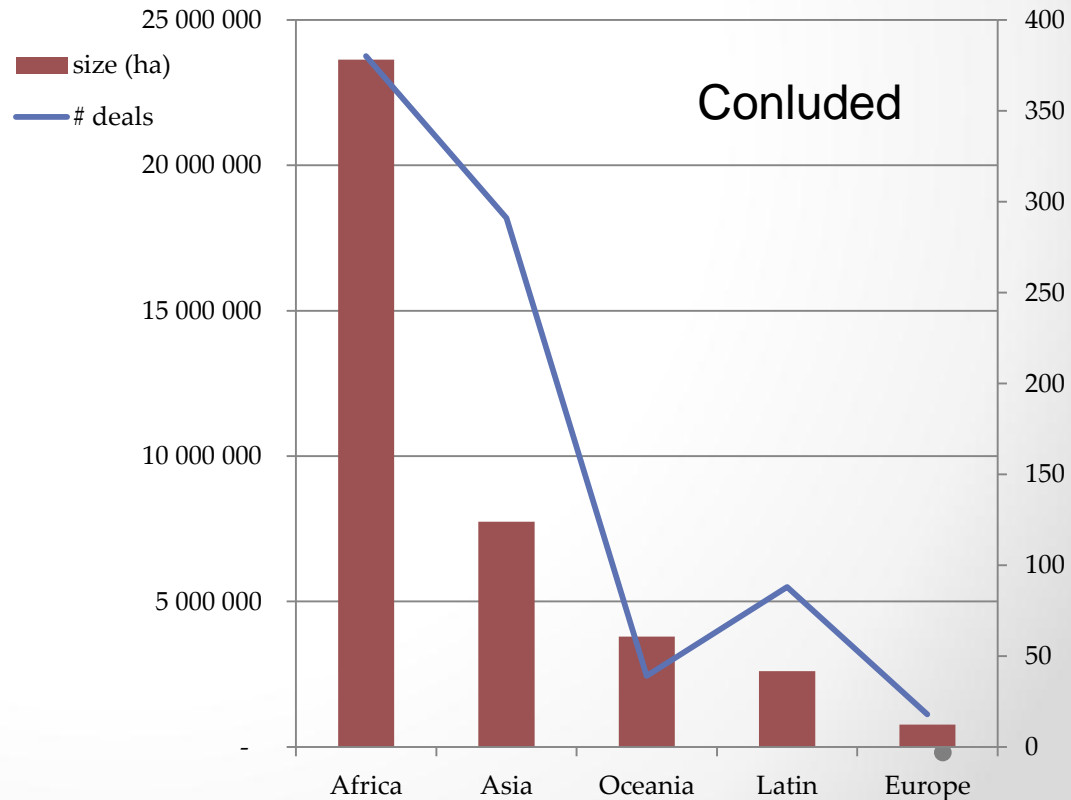
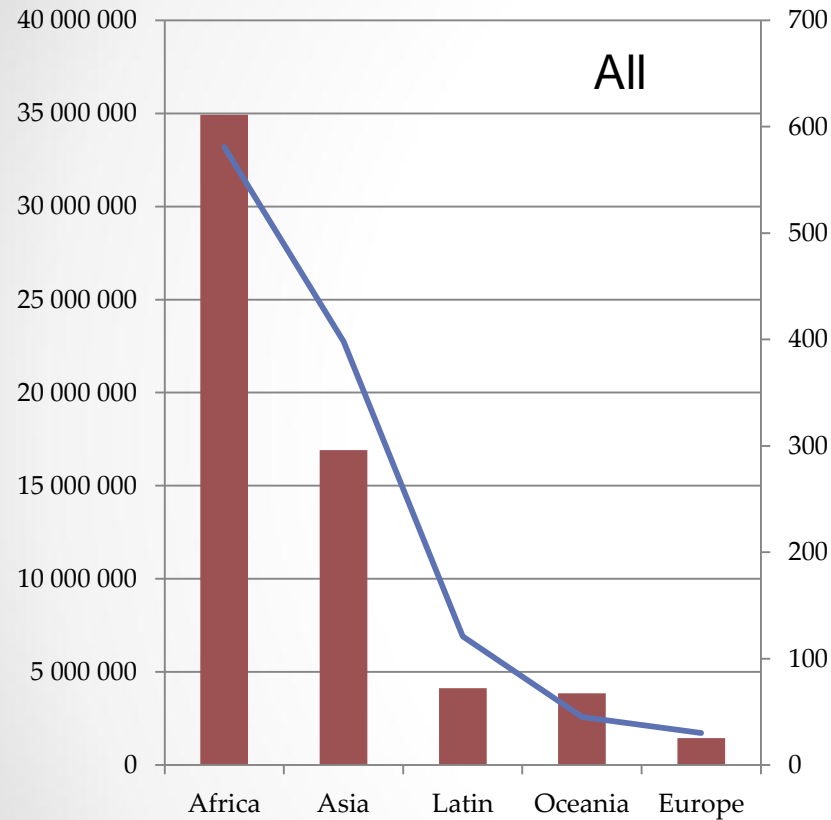
Some flashes on LSLA ...

- Land matrix data (www.landmatrix.org)
- LSLA = 200ha, since 2000, change of tenure system and land use

LSLA globally

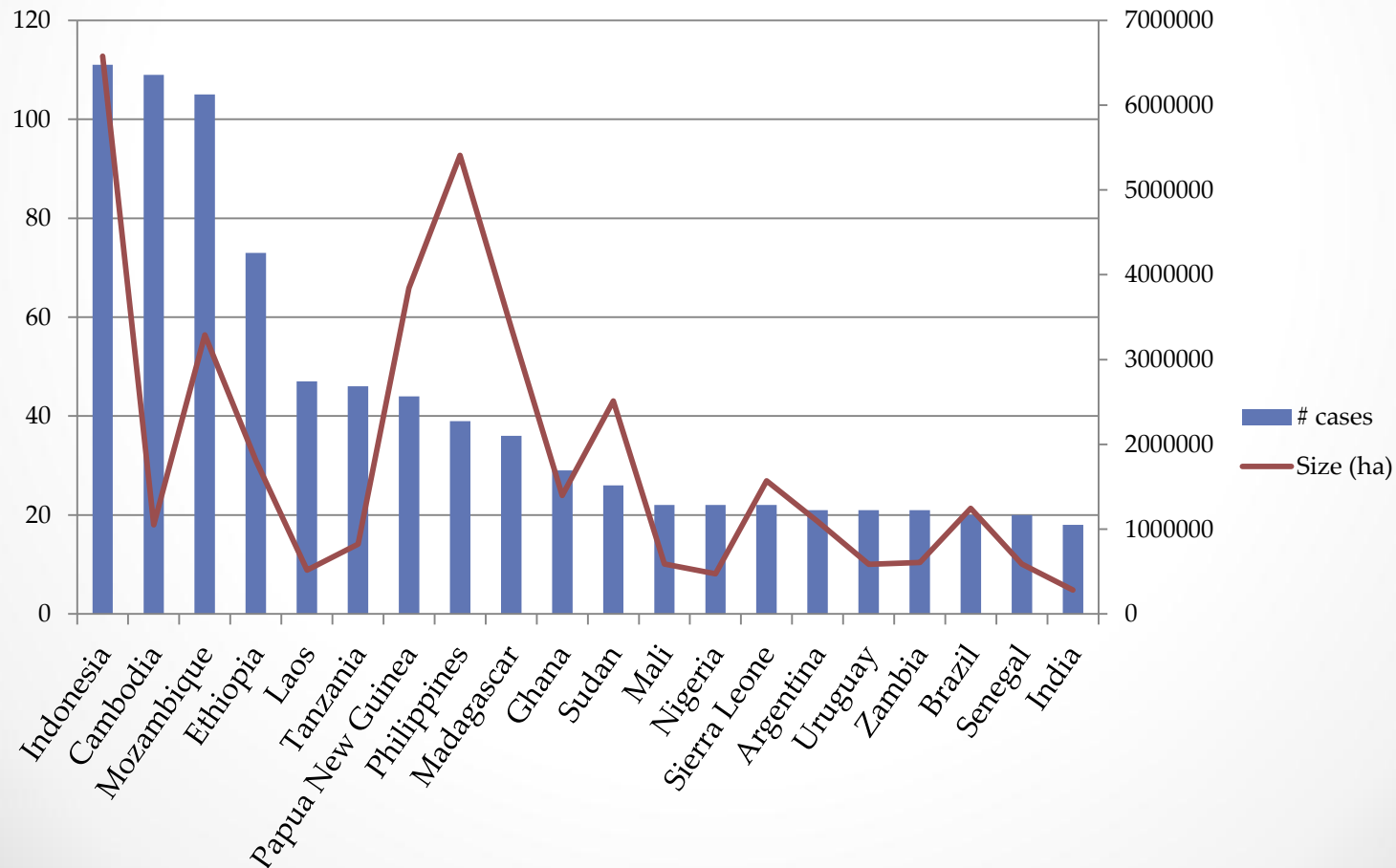
	# deals	ha intended	ha under contract
Oral agreement	66	3.7	1.1
Contract signed	804	50.8	30.6
concluded deals	870	54.5	31.8
Expression of interest	42	5.5	n.a.
Under negotiation	144	9.1	n.a.
Intended deals	186	14.6	n.a.
Negotiations failed	50	5.3	n.a.
Contract cancelled	24	1.6	1.5
Failed deals	74	6.9	1.5

African countries are among the most affected in the world



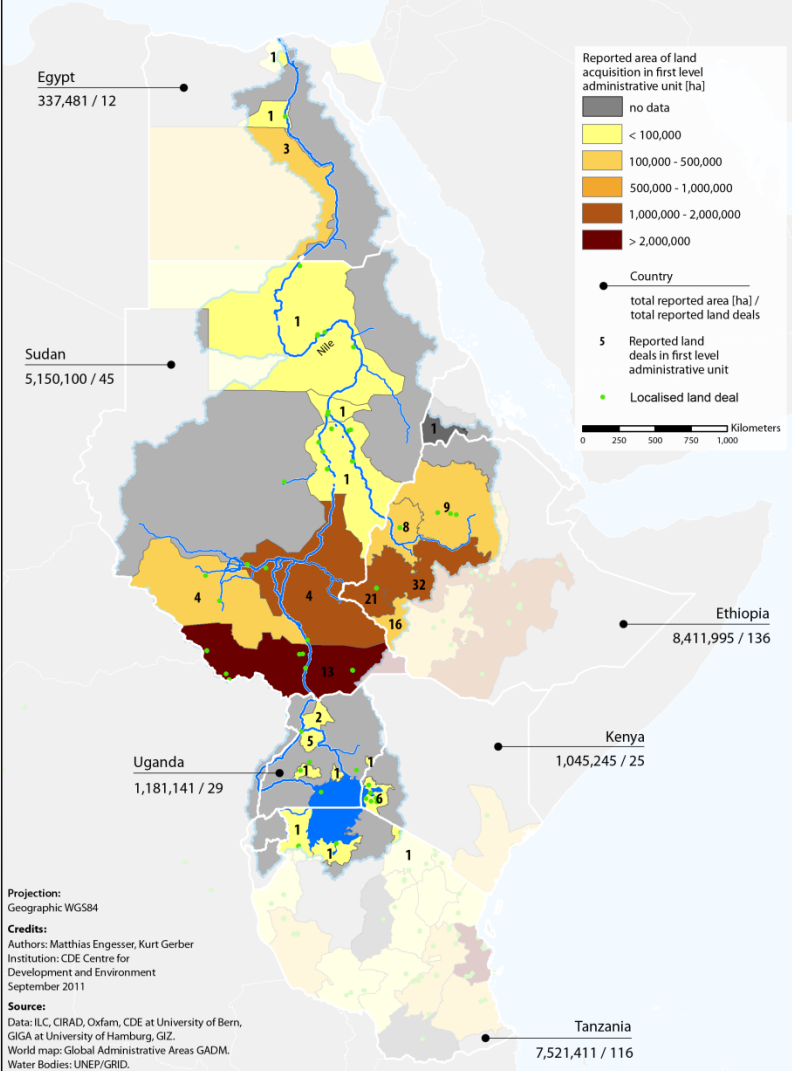
African countries are among the most affected

- Important concentration – top 20 countries, 74% deals, 80% size
- Top 20 – 9 African countries (insecure land rights)

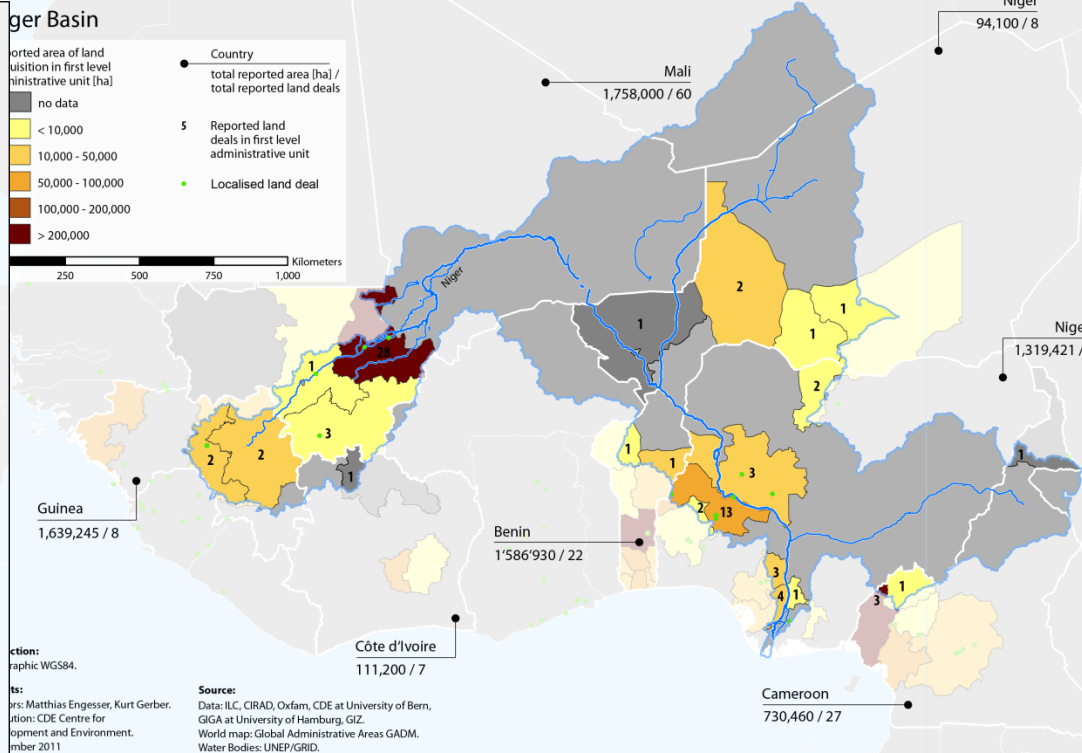


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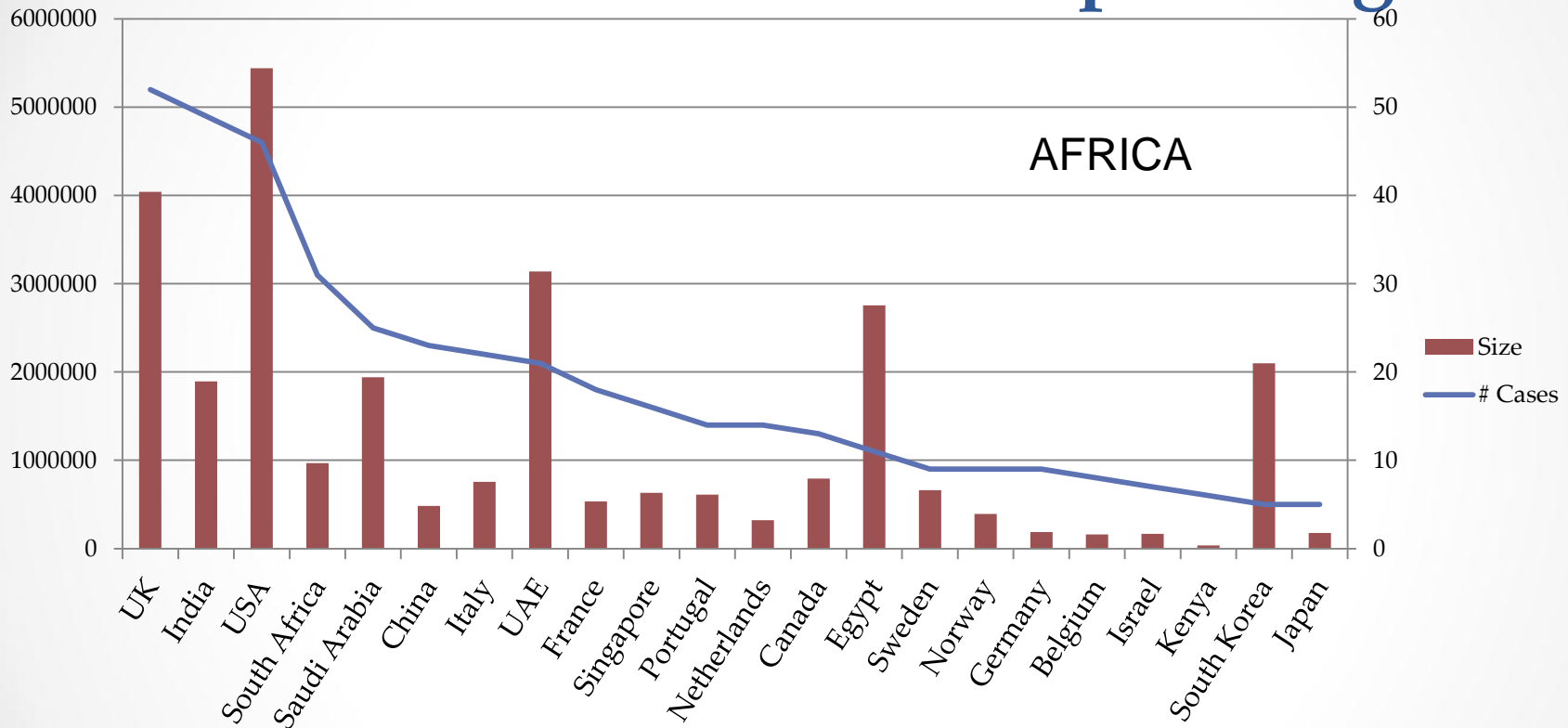
Commercial Pressure on Land Nile Basin



Commercial Pressure on Land Niger Basin



Western countries are still the main investors in Africa, Emerging and Middle Eastern countries are upcoming



North	West	Central	East	Southern
Saudi Arabia	UK	USA	Egypt	South Korea
UAE	India	Malaysia	UAE	South Africa
South Africa	Italy	Canada	USA	UK
Japan	Liberia	Singapore	Jordan	Brazil
-	France	Belgium	Saudi Arabia	India

Investors

- **Traditional Western** food-producing, processing, and exporting companies seeking to increase market share

- Private investors
- Market expansion**

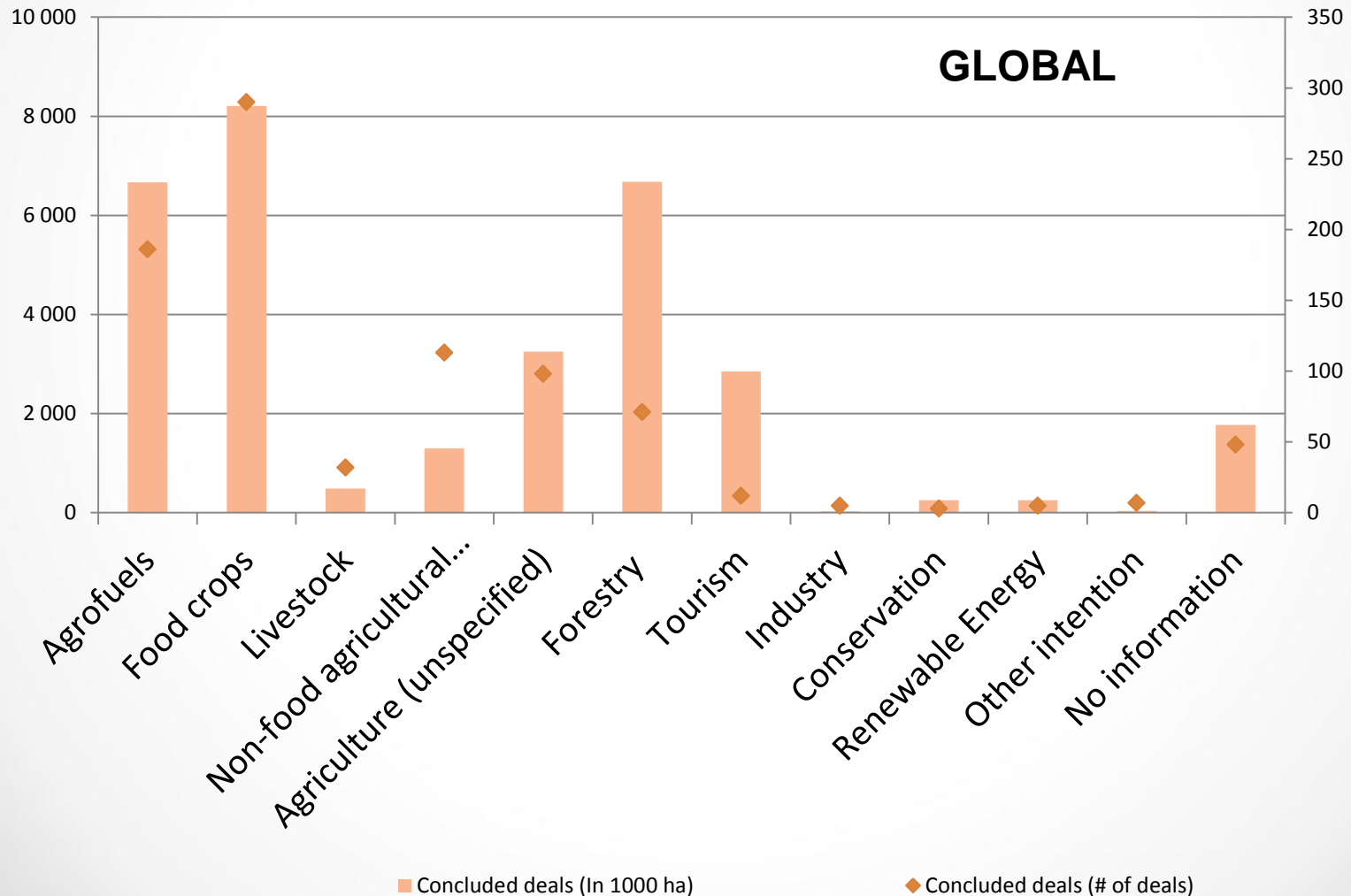
- **Capital-rich / food insecure** Land and water scarce populous but capital-rich (Asian countries, Gulf States - China: 20% of world pop / 9% of world arable land)

- Direct gov. involvement
 - Sovereign wealth Funds
 - State-owned enterprises
- Avoiding markets**

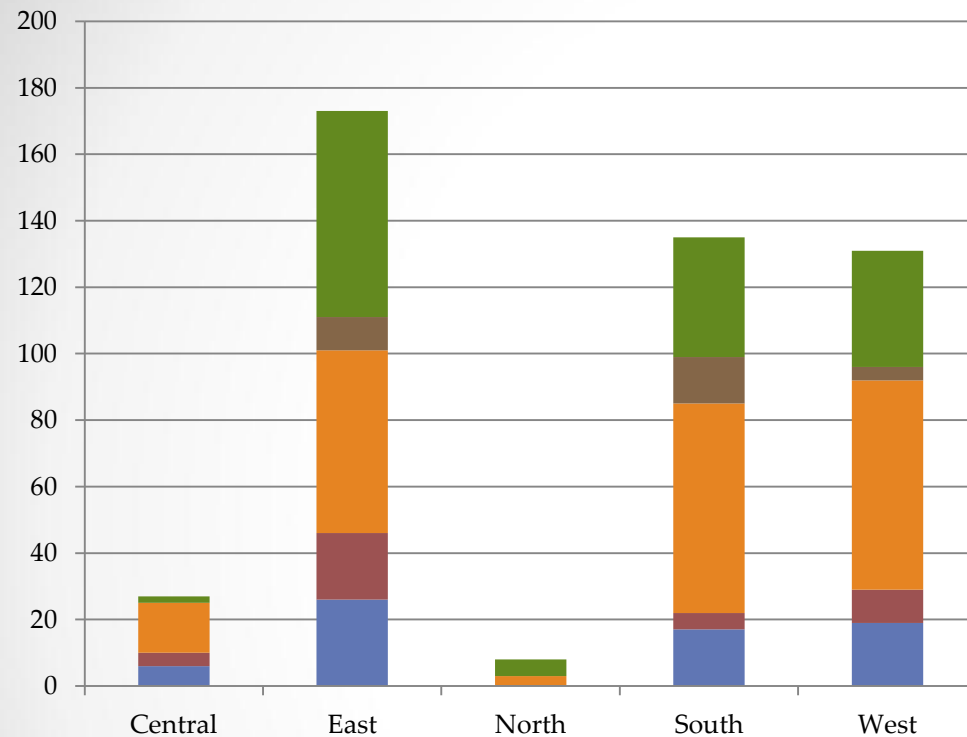
- **New actors** – Outside of agriculture (financial sector, ...)

- Hedge funds,
 - Pension funds
 - Invest banks
 - Asset management comp
- Diversifying portfolio/
speculation**

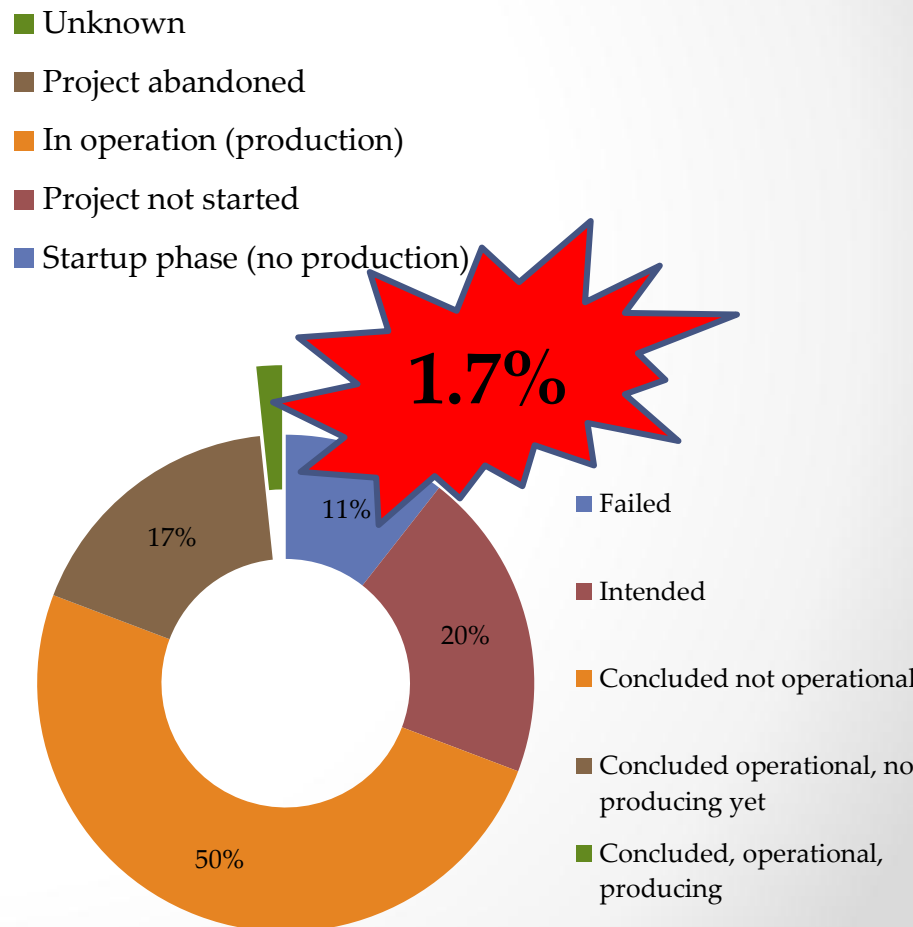
The rush for land is triggered by a wide range of drivers, food becoming a main driver



Little effective production



AFRICA



LSLA globally

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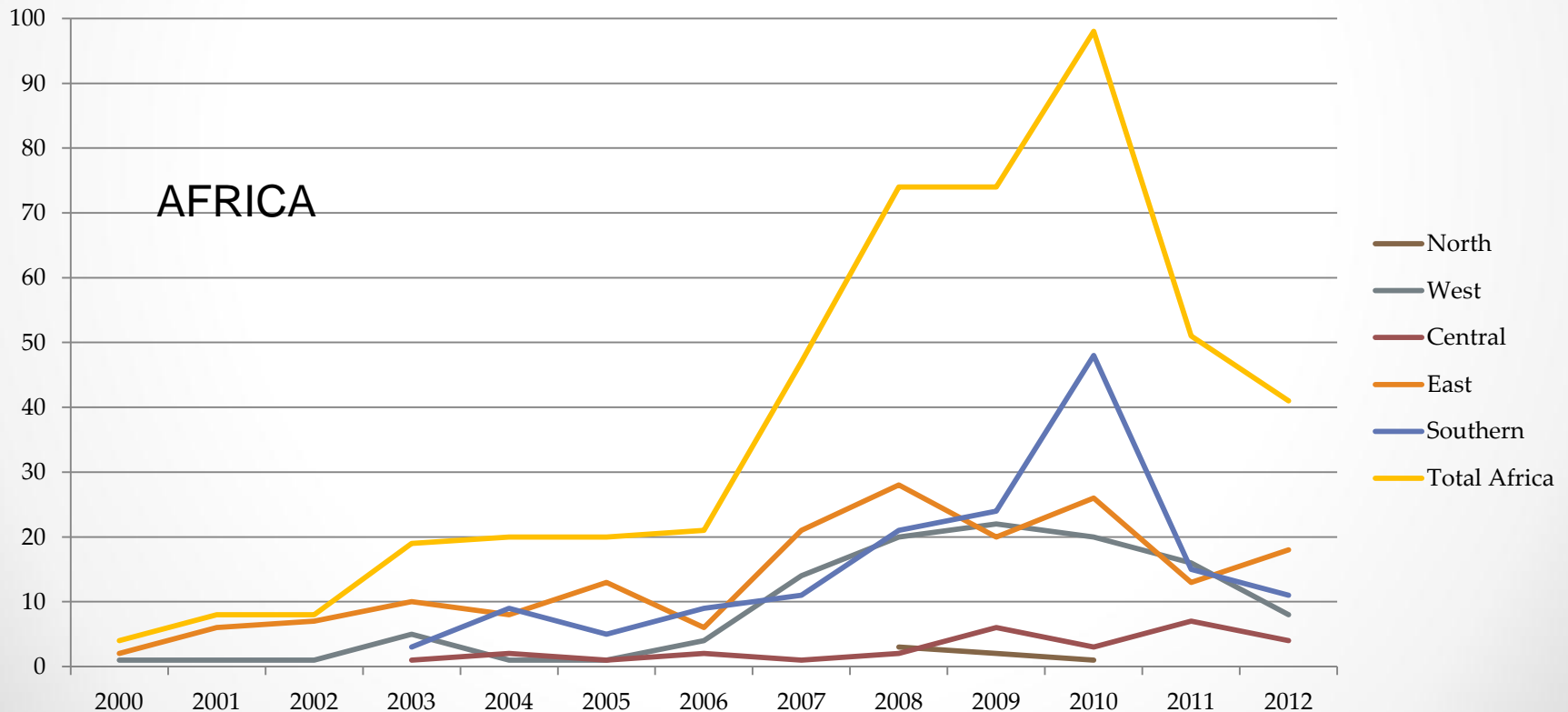
+115

+41

+24

Slowing down overall, but evidence of long-term trend of growing commercial interest in land

Reasons: Credit crunch, high failures, less media focus, civil awareness, countries are getting better prepared



Disaggregating “Large-scale land acquisitions”

Different LSLA with different outcomes

Land grabbing is not homogenous
... different institutional set-ups/investment models

Independent farmer model	Associative farmer model	Cooperative farmer model	Speculative 1000-day model	Asset management and Investment funds model	Nucleus estate model	Agribusiness Estate model
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Different LSLA with different outcomes

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Association with local farmers, looking for CF opportunities



Based on bilateral agreements (more based on social inclusion)



1/3 of CF (tendency to full control) & Spot market



CSR

Different LSLA with different outcomes

Independent farmer model	Associative farmer model	Cooperative farmer model	Speculative 1000-day model	Asset management and Investment funds model	Nucleus estate model	Agribusiness Estate model
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High failures

- *Uncertain institutional environments and the difficulty of doing business*
- *Technicality of the projects*
- *The lack of markets*
- *Lack of financial services*
- *High settling and transaction costs*

Different LSLA with different outcomes

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High failures

Increased integration

Strategy change

- Slow down, more secure investments

Invisible control

Few inclusive models

Implications for agrarian development and restructuring

- Corporization of agriculture
- Closed value-chains and foreign powers
- Concentration and dualization within the agricultural sector
- Proletarianization of the agricultural / rural society

Normalisation process vs consolidation and agrarian change

Going beyond 'direct' loss of land, indigenous rights ...
.... Broader transformation of agrarian societies

- Land grab is only a 'tipping point'
- Profound transformation of the food regimes, of our agrarian societies
 - Self determination on your land vs agrarian system without room for manoeuvre
- Questioning of the development model
 - LSLA debate is having a blinding effect on other development trajectories

Normalisation, agrarian change and reflection related to data

The need for more disaggregated data

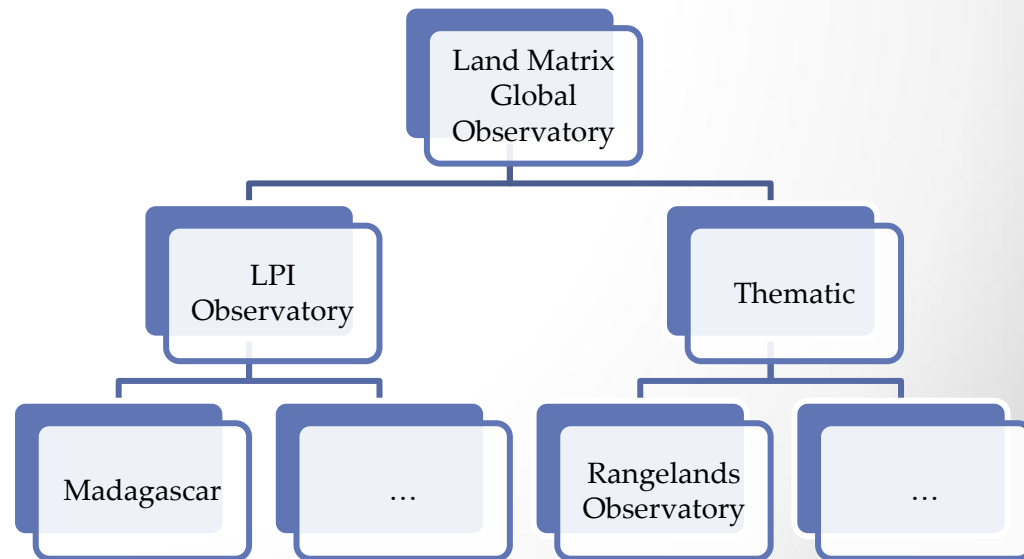
- LSLA is not a homogenous phenomenon
- Go beyond global data
 - To better understand – take into account specificities
 - Empower

Land Observatories

- Each Observatory – Independent, managed by own interest group
- Based on multi-stakeholder platforms

Software

- Adapted to local needs



Accompanying effective agrarian change

Normalisation vs failure vs consolidation

1. Understanding of more inclusive instruments

1. Inclusive Business Models (Contract farming, outgrower schemes)
2. Community Partnership Programmes

2. Need for more territorial and sectoral approaches to LSLA

3. Assessing other development trajectories

1. Challenging the LSLA paradigm

Thank you

Dr Ward ANSEEUW

CIRAD Researcher

Co-Director of GovInn - Center for the Study of Governance Innovations

Post Graduate School of Agriculture and Rural Development

University of Pretoria

Pretoria 0002

South Africa

Email: ward.anseeuw@up.ac.za